

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 089565

16

ORIGIN ARA-04

INFO OCT-01 STR-04 ISO-00 /009 R

66611

DRAFTED BY: ARA/ECP:MDAVILA:MB

APPROVED BY: ARA/ECP:GROLSON

STR-BSTEINBOCK (SUBS)

----- 016174

R 012209Z MAY 74

FM SECSTATE WASHDC

TO AMREP

USMISSION GENEVA

XMT AMEMBASSY CARACAS

LIMITED OFFICIAL USE STATE 089565

C O R R E C T E D C O P Y (GARBLES THROUGHOUT TEXT)

LIMITED OFFICIAL USE STATE 089565

FOLLOWING REPEAT CARACAS 3772 ACTION STATE 30 APRIL 1974.

QUOTE

LIMITED OFFICIAL USE CARACAS 3772

DEPT PASS ALL LA POSTS

E.O. 11652: N/A

TAGS: PFOR, ETRD, OVIP, AR (EBERLE)

SUBJECT: SUMMARY REPORT OF AMBASSADOR EBERLE'S VISIT TO ARGENTINA

1. FOLLOWING IS THE SUMMARY OF RESULTS OF APRIL 23-24 VISIT TO ARGENTINA BY AMB EBERLE AND HIS DELEGATION DRAFTED BY AMEMBASSY ARGENTINA AND CLEARED BY DELEGATION.

2. SUMMARY: ARGENTINA POSITION ON TRADE ISSUES WAS PRESENTED

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 089565

AGGRESSIVELY BY AMB GABRIEL MARTINEZ AND FOCUSED ON CRITICISMS OF

GSP SCHEME AND LACK OF U.S. RESPONSIVENESS TO LDC CONCERNS IN TRA AND MTN. PRINCIPAL BILATERAL ISSUES DISCUSSED WERE ARGENTINA MEAT EXPORTS AND HOW U.S. COULD ASSIST ARGENTINA WITH INCREASING ITS MEAT EXPORTS TO THE U.S. AND OTHER MARKETS. FOREIGN OFFICE OBVIOUSLY WELCOMED EBERLE GROUP'S VISIT AND EXPOSITION OF U.S. VIEWS LEFT POSITIVE IMPRESSION OF ITS SENIOR OFFICIALS. IT IS CLEAR, HOWEVER, THAT ARGENTINE WILL CONTINUE TO MAINTAIN STRONGLY NATIONALISTIC POSTURE IN TRADE MATTERS AND PRESS THE U.S. AND OTHER DC'S HARD FOR THE ACCEPTANCE OF DIFFERENTIAL RULES FOR LDC'S IN THE MTN. END SUMMARY.

3. FIRST WORKING SESSION EVENING APRIL 22 AT FOREIGN MINISTRY:

A. TRADE BILL

AMB EBERLE REVIEWED THE CURRENT STATUS OF THE TRADE BILL WHICH HE HOPED WOULD BE PASSED BY CONGRESS IN LATE JUNE OR EARLY JULY. HE EXPLAINED THE IMPORT OF AND ADMINISTRATION ATTITUDE TOWARD SEVERAL PROPOSED AMENDMENTS, THE NATURE OF SENATE PROCEDURES FOR CONSIDERATION OF THE BILL, AND THE LIKELIHOOD THAT RESTRICTIVE AMENDMENTS WOULD BE PROPOSED FROM THE SENATE FLOOR WHICH HE BELIEVED COULD BE DEFEATED.

AMB GABRIEL MARTINEZ, ARGENTINE REPRESENTATIVE TO INTERNATIONAL ECONOMIC ORGANIZATIONS IN GENEVA, SAID THE TRADE BILL APPEARED TO GIVE THE EXECUTIVE BRANCH CONSIDERABLE ADDITIONAL POWERS TO RESTRICT IMPORTS. THE ONLY GUARANTEE OF CONTINUED MARKET ACCESS FOR DEVELOPING COUNTRIES WAS JUDICIOUS EXECUTIVE BRANCH USE OF POWERS GRANTED TO IT IN TRADE BILL. IN ADDITION, AMB MARTINEZ CRITICIZED THE BILL BECAUSE IT DID NOT CONTAIN ANY DISTINCTION BETWEEN TREATMENT AFFORDED DEVELOPED AND DEVELOPING COUNTRIES.

1) SAFEGUARDS

AMB EBERLE RESPONDED THAT ADDITIONAL POWERS GRANTED EXECUTIVE BRANCH IN TRADE BILL WERE SIMILAR TO THOSE ALREADY POSSESSED BY MOST GOVERNMENTS IN THE WORLD. IN SEVERAL WAYS, THE ESCAPE CLAUSE PROVISIONS OF THE BILL OFFERED GREATER OPPORTUNITIES TO DEVELOPING COUNTRIES BECAUSE INJURY STILL HAD TO BE DEMONSTRATED, LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 089565

AND RELIEF GRANTED MUST BE TEMPORARY AND PROVIDE FOR GROWTH FACTOR. HE SAID THE U.S. FAVORED, AND WAS PREPARED TO NEGOTIATE, TOWARD AN INTERNATIONAL SAFEGUARDS AGREEMENT. HE FELT SUCH AN INTERNATIONAL AGREEMENT WOULD PROVIDE THE DEVELOPING COUNTRIES WITH BETTER ASSURANCE OF ACCESS TO DEVELOPED COUNTRY MARKETS. AMB MARTINEZ SAID ANY INTERNATIONAL AGREEMENT ON SAFEGUARDS WOULD HAVE TO BE BASED ON THE PRINCIPLES OF PART IV OF THE GATT. HE POINTED OUT THERE WAS A DIFFERENCE BETWEEN A

SAFEGUARD SYSTEM AIMED PRIMARILY AT EXISTING IMPORTS, AND ONE DIRECTED PRIMARILY TOWARD FUTURE IMPORTS.

2) SUBSIDIES

AMB EBERLE POINTED OUT THAT THERE WAS CONSIDERABLE CONFUSION ON THE SUBJECT OF SUBSIDIES. IN THIS SITUATION, HE SAID THE U.S. FAVORED, AND WOULD BE PREPARED TO WORK TOWARD, DEFINITION OF AN INTERNATIONAL SET OF PRINCIPLES. THE OBJECTIVE WOULD BE TO ESTABLISH SOME PRINCIPLES OR GUIDELINES THAT ALL COUNTRIES COULD ACCEPT AND FOLLOW IN PROMOTING EXPORTS. HE SAID THUS FAR THE UNITED STATES HAD BEEN VERY CIRCUMSPECT REGARDING APPLICATION OF COUNTERVAILING DUTIES. PRESENTLY, COURT PROCEDURES HAVE BEEN INITIATED BY PRIVATE PARTIES TO REQUIRE THE SECRETARY OF TREASURY TO TAKE ACTION IN THE CASE OF IMPORTED FOOTWEAR.

AMB MARTINEZ STATED THAT AGAIN A DISTINCTION HAD TO BE MAINTAINED BETWEEN DC AND LDC SUBSIDIES. FOR EXAMPLE, TAX REBATES APPLIED BY A DEVELOPING COUNTRY WOULD NOT BE ENOUGH TO COVER PRODUCTIVITY DIFFERENCES BETWEEN DEVELOPED AND DEVELOPING COUNTRIES. THE SAME REBATE SYSTEM, IF APPLIED BY A DEVELOPED COUNTRY, WOULD MAKE ITS EXPORTS TOO COMPETITIVE WITH DEVELOPING COUNTRY EXPORTS. HE CONTINUED THAT DEVELOPING COUNTRIES HAD GREAT DIFFICULTY ENTERING EXPORT MARKETS, IN FACT THAT WAS THE PURPOSE OF GSP. AS DC TARIFFS WERE REDUCED, THE VALUE OF PREFERENCES WAS REDUCED. THUS THE DEVELOPING COUNTRIES OWN PROMOTION MECHANISMS WOULD BECOME INCREASINGLY IMPORTANT. HE ENDED THAT IF THE DEVELOPED COUNTRIES, HEADED BY THE UNITED STATES, COULD ACCEPT PRINCIPLE OF DIFFERENTIAL TREATMENT BETWEEN DEVELOPED AND DEVELOPING COUNTRIES REGARDING SUBSIDIES, THEN PROGRESS TOWARD A SET OF GENERAL PRINCIPLES WOULD BE GREATLY FACILITATED.

AMB EBERLE RESPONDED WITH A SPECIFIC EXAMPLE. SUPPOSING BRAZIL GAVE A 20 PERCENT SUBSIDY AND OBTAINED 50 PERCENT OF THE UK LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 STATE 089565

MARKET, WOULD ARGENTINA FEEL THAT SUBSIDY WAS JUSTIFIED. WHEN AMB MARTINEZ SAID NORMALLY A COUNTRY WOULD NOT WASTE FISCAL RESOURCES IN PROMOTING COMPETITIVE EXPORTS. AMB EBERLE SAID THIS WAS JUST THE POINT. IF COUNTRIES ABUSED SUBSIDY PRIVILEGE, THERE SHOULD BE RECOURSE TO AGREED INTERNATIONAL PRINCIPLES. HE URGED AGAIN THAT ALL COUNTRIES WORK TOWARD DEVELOPMENT OF SUCH PRINCIPLES.

B) GENERALIZED PREFERENCES

MR. RENNER OUTLINED MAJOR PROVISIONS OF U.S. GSP PROPOSAL INCLUDING ELIGIBILITY, PRODUCT INCLUSION, SPECIAL QUALIFICATIONS, ETC. HE EXPLAINED CAREFULLY THE COMPETITIVE NEED FORMULA UNDER WHICH SINGLE PRODUCT FROM SINGLE COUNTRY WOULD NOT RECEIVE PREFERENCES IF IMPORTS EXCEEDED 25 MILLION DOLLARS OR 50 PCT OF

THE TOTAL IMPORT MARKET. BASED ON PRELIMINARY U.S. STUDIES,
MR. RENNER INDICATED THAT ONLY TWO ARGENTINE PRODUCTS ELIGIBLE
FOR PREFERENTIAL TREATMENT UNDER GSP WOULD BE EXCLUDED BY THE
COMPETITIVE NEED FORMULA: SAUSAGES AND BEEF IN CANS WITH 83 PCT
OF TOTAL IMPORT MARKET, AND CERTAIN OAK, WOOD PRODUCTS WITH 57 PCT
OF THE U.S. IMPORT MARKET.

IN RESPONSE TO REQUEST FROM AMB MARTINEZ, MR. RENNER
AGREED TO PROVIDE ARGENTINE GOVERNMENT WITH MORE DETAILED
INFORMATION ON EXCLUDED OAK, WOOD PRODUCTS THROUGH U.S.
EMBASSY IN BUENOS AIRES.

AMB MARTINEZ, SUMMARIZING ARGENTINE REACTION TO U.S. GSP PROPOSAL,
SAID HE FELT IT WAS QUITE RESTRICTIVE AND THAT EC PLAN MORE
LIBERAL. HE WAS

E E E E E E E

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS, LESS DEVELOPED COUNTRIES, TRADE LAW, IMPORTS, POLICIES, TRADE VISITS, MEETINGS, SUBSIDIES, MEATS, MEETING REPORTS, GENERALIZED PREFERENCES (TARIFFS)
Control Number: n/a
Copy: SINGLE
Draft Date: 01 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE089565
Document Source: CORE
Document Unique ID: 00
Drafter: ARA/ECP:MDAVILA:MB
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740106-0557, D740104-1108
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740582/aaaacvka.tel
Line Count: 177
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags: ANOMALY
Review Date: 19 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 JUN 2002 by cunninfx>; APPROVED <14 JAN 2003 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SUMMARY REPORT OF AMBASSADOR EBERLE'S VISIT TO ARGENTINA
TAGS: PFOR, ETRD, OVIP, AR, US, (EBERLE, WILLIAM)
To: GENEVA CARACAS ALL POSTS
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005